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to the general principles by which your government should be guided in the management of your gold reserve in the absence of a legal obligation to give gold in exchange for rupees—namely, that you should make it freely available for foreign remittances whenever exchange falls below specie point, under such conditions as the circumstances of the time may render desirable. In other words, public announcement is made of the intention, whenever silver rupees fall below a certain value in relation to gold (as expressed by the price of Indian exchange, which is the value of rupees in English gold), to use the gold reserve freely in supporting the rate of exchange. This, then, is an indirect redemption of silver by gold, which is the central point of the new departure in India. There can be little doubt that, under ordinary circumstances, this machinery, together with the continuance of the coinage of the rupee only in exchange for 1 s. 4 d. in gold, will secure a fixed value of the rupee in gold. And the rupee then becomes a token coin, regulated at par in gold, on the same general principles which control the value of the token American silver dollar and the French five-franc piece.

L.

THE recent letter of Mr. Abram S. Hewitt, reciting his opinion that the Erie Canal is no longer an indisputable necessity for keeping down railway-traffic charges in the State of New York, has interest to those who may have noticed the recent utterances of the German emperor at the opening of the Dortmund-Ems Canal upon the importance to German commerce of new canals. To the latter the new system of canals is regarded as essential to the development of German industry. If both these utterances be accepted as a true statement of the relations of canals to railways in the United States and in Germany, it seems that American railways must have distanced competition by canals by reason of the greater efficiency of transportation methods by rail, by inventions, and by adaptability to conditions—while German railways have not risen to a point of superiority over the canals, either from the rigidity of the bureaucratic system of railway management, which places military and state considerations above commercial needs, or from other reasons which limit railway competition. At least, private ownership under limited supervision by the government in the United States, has allowed private competition such play that with us canals are no longer a necessary part of the competition by which low rates are in general secured to shippers.